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NSC BRIEFING

~~CONFIDENTIAL~~
16 April 1959

IRAQ--BACKGROUND

OIL DATA

- I. Oil Revenues (1958) \$232,997,360
- II. Production (1958)* 750,000 barrels a day from IPC group
(20,000 b/d Mosul Petroleum Company
(480,000 b/d Iraq Petroleum Company
(250,000 b/d Basra Petroleum Company
(4,000 b/d from Khanaqin Oil
Company all used locally)
- III. Transportation
Pipelines to Mediterranean 500,000 b/d from IPC and Mosul combined
(360,000 b/d to Banias, Syria (72%)
(140,000 b/d to Tripoli, Lebanon (28%)
- Persian Gulf Deliveries 250,000 b/d
Through Suez Canal 105,720 b/d (25% of Persian Gulf shipments
through Suez Canal)
- Rest to South Asia 144,280 b/d
and East

IV. Significant Developments in recent months

1. IPC agrees to relinquish substantial acreage in Iraq
(Autumn 1958).
2. IPC gives up offshore concession rights in Persian Gulf
(late 1958).
3. Khanaqin Oil Company surrendered its concession to Baghdad
in November 1958 in accordance with long-standing agreement.

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DOCUMENT NO. _____
NO CHANGE IN CLASS. []
DECLASSIFIED
CLASS. CHANGED TO: TS S G
NEXT REVIEW DATE: _____
AUTH: []
DATE: 12/15/78
REVIEWED: 372044

4. IPC production planned to increase to 1,114,000 b/d by late 1961.
5. Drop in oil prices to cost Iraq \$27,000,000 in revenues this year.
6. Prime Minister Qassim to consider nationalizing 23.75 percent French share of IPC (April 1959).
7. Soviet technicians "studying" surrendered Khanaqin concession (March 1959).
8. Pro-Communist minister of Economics demands \$56,000,000 more in revenues this year over last (10 April 1959).
9. Soviet technicians taking over operation of Baghdad refinery from Americans (11 April 1959).
10. IPC requested to build north-south pipeline to reduce Iraq's dependence on Egyptian-controlled pipelines through Syria.
11. Iraq boycotts first Arab Petroleum Congress in Cairo (April 1959).

NOTE: Ownership of Iraq Petroleum Co., Ltd.

23.75% British Petroleum Co., Ltd.

23.75% Royal Dutch Shell

23.75% Near East Development Corp. (Owned jointly by
Standard Oil Co. of New Jersey and Socony
Mobile Co.)

23.75% Cie Francaise des Petroles

5.00% Participations and Exploration Corp. (Gulbenkian)

*Rate at end of year

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IRAQ -- BACKGROUND

ARMED FORCES

Current disposition on map.

GROUND FORCES

ARMY	60,000
Mobile Police	4,000
Local Police	25,000
Popular Resistance Forces	25,000 - 50,000

Army organized into 5 divisions - 3 infantry, one armored, and one armored-infantry division. A sixth division is to be formed. Three divisions are in central Iraq. Most of the armor is in the Baghdad area.

AIR FORCE	41 jet fighters/38 piston fighters
	3,252 men

jet

14 Hawker Hunters
5 F-86s
14 Venoms
8 Vampires
Soviet bloc tactical aircraft on order.

NAVY	4 river gunboats and one yacht
	250 men

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